

# Impact of Mahatma Gandhi National Rural Employment Guarantee Scheme on Socio-Economic Development of Job Seekers- A case Study Kalahandi District of Odisha

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**Abstract:** This paper, an attempt to study on Impact of Mahatma Gandhi National Rural Employment Guarantee Scheme on socio-economic development of Job seekers of Kalahandi District of Odisha. The main objective of the study to assessment of socio-economic development of the Job seekers under MGNREGS. The study reveals that 40.26 percent of Job seekers have been more benefited from the MGNREGS. It is observed that standard of consumption of food & nutrition, housing & clothing, education, health & other items have improved. It shows that MGNREGS has made an impact in developing the social awareness and living conditions of the Job seekers. The incidence of poverty among the Job seekers have declined and social empowerment of women improved significantly.

**Keywords:** National Rural Employment Guarantee Scheme, Socio-economic status, Social Awareness, Living condition, Empowerment of women.

## 1. Introduction

The centrally sponsored different wage employment programs such as Cash Scheme for Rural Employment (CSRE), Pilot Intensive Rural Employment Program (PIREP), Food for Work Program (FWP), National Rural Employment Program (NREP), Rural Landless Employment Guarantee Program (RLEGP), Jawahar Rozgar Yojana (JRY), Jawahar Gram Samridhi Yojana (JGSY), Sampoorn Gramin Rozgar Yojana (SGRY) were implemented earlier. The Government of India has introduced various anti-poverty schemes in the forms of self-employment and wage-employment programs to eradicate rural poverty of different states. Now the wage employment program like Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was implemented from 2nd February 2006. Here case study was confined on poverty alleviation through wage employment, as such evaluation area extended only up to the job seekers completed 100 days' work under MGNREGS. The National Rural Employment Guarantee Act- 2005 is a 'peoples' act in several senses. The act was prepared through a wide range of consultation with people's

organizations. Second, the act addresses itself chiefly to working people and their fundamental right to life with dignity. Third, the act empowers ordinary people to play an active role in the implementation of employment guarantee schemes through Pallisabha/ Gram Sabha, Social Audit & participatory planning and other means more than any other law; NREGA is an act of the people, by the people and for the people. This act is an important step towards the realization of the right to work. It is also expected to enhance people's livelihoods on a sustained basis, by developing the economic and social infrastructure in rural areas. The choice of works seeks to address the causes of chronic poverty such as drought, deforestation and soil erosion. Effectively implemented, the employment generated under the act has the potential of transforming the geography of poverty. MGNREGA calls for the formulation of a Rural Employment Guarantee Scheme (REGS) by each state government. The basic objective of the act is to enhance livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual works. This work guarantee can also serve other objectives generating productive assets, protecting the environment, empowering rural women, reducing rural-urban migration and fostering social equity, among others. Now the state of Odisha gives more emphasis to implement the MGNREGS for development of Job-seekers of Odisha. But in Odisha the Job-seekers around 64, 17,806 whereas 2, 99,525 in Kalahandi district as per report of DRDA, Kalahandi in the year 2016. In this context it is observed that the wage employment is more essential among Job-seekers living in rural areas.

## 2. Objectives of the Study

The specific objectives of the study are indicated below

1. To assess changes in the socio-economic development of the Job-seekers under MGNREGS
2. To evaluate this schemes planning process at the grass

- root level
- 3. To evaluate the creation of assets, employment, man days etc.
- 4. To suggest appropriate policy intervention for effective performance of Job –seekers.

### 3. Sampling Design and Methodology

#### 1) Sampling Design

A three stage sampling design is adopted with first stage as the Gram Panchayat, the second stage as the village and the third stage as the job seekers selected. The following 4 Gram Panchayats (i.e. Pastikudi, Gaigaon, Adhamunda and Kasurpada) have been selected out of 26 Gram Panchayats of Kesinga Block of Kalahandi District adopting simple random sampling method. We select 77 job seekers of numbers villages out of 4 Gram Panchayats. The list of villages and according to the number of respondent job seekers are given below in Table 1

Table 1  
Distribution of the Number of Respondent Job Seekers Selected in 4 G.Ps of Kesinga Block of Kalahandi District

Sl. No.	Name of G.Ps selected	Name of Villages selected	No. of Job seekers selected
1	Pastikudi	1.Pastikudi	14
		2.Themra	06
2	Gaigaon	3.Kanabira	07
		4.Pujiguda	06
		5.Khamari	07
3	Adhamunda	6.Adhamunda	16
		7.Jharkusumkhunti	01
4	Kasurpada	8.Kasurpada	06
		9.Ghatpada	07
		10.Binekala	07
Total			77

#### 2) Sources of data & Methodology for collection of data

As it is a comprehensive evaluation, two types of data are collected (Primary and Secondary) at three levels viz, District, Block and village. The Primary data are collected from the field by one schedule for one respondent job seeker. Altogether 77 respondents are interviewed through these structural schedules. While secondary data regarding target achievements, work distributions, payment procedures etc are collected from official records of the G.P/Block/DRDA office, other important data like operational problems are collected by help of intensive discussions with PRI Members, Officers and Staff. Specific studies are undertaken in order to ascertain the concreteness and depth of some of the typical quantitative & qualitative problems affecting the respondents at the micro level during the implementation of different projects at the field level.

#### 3) Tabulation, Analysis & Interpretation of Statistical data

After the data collection the researcher has manually tabulated the data with adding a master chart and relevant tables were drawn out of it. The findings of the study were analyzed by way of descriptive analysis of the table using percentage (%) method.

#### 4) Socio-Economic Profile of the Respondents

Before we go into the analysis of the income generated through the assisted MGNREGS and deal with few important operational modalities relating to the scheme in particulars it would be useful to have a broad picture of respondents. Some important socio-economic characteristics, viz age, sex, caste,

educational level, occupational status etc. of the respondents are narrated below in Table 2&3.

Table 2  
Distribution of Occupational Status of the Respondents

Name of G.P	Age Group				Sex		Caste			Education	
	18-32	33-47	48-62	62& above	M	F	SC	ST	OC	Literate	Illiterate
Pastikudi	4	5	10	1	20			9	11	7	13
Gaigaon	1	7	10	2	20		1	18	1	4	16
Adhamunda	1	9	5	2	16	1	16	1		12	5
Kasurpada	2	7	9	2	20			2	18	9	11
Total	8	28	34	7	76	1	17	30	30	32	45

Table 3  
Distribution of Occupational Status of the Respondents

Name of the G.P	MF	SF	Agri./Non Agri. Labourer	RA	Others	Total
Pastikudi	08	-	12	-	-	20
Gaigaon	09	-	11	-	-	20
Adhamunda	13	-	04	-	-	17
Kasurpada	07	-	13	-	-	20
Total	37	-	40	-	-	77

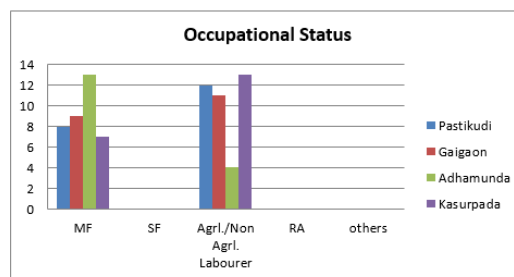


Fig. 1. The Graphical representation of Occupational status of the respondents

## 4. Results and Discussion

#### 1) Financial Assistance to Job-Seekers

The Table 4 gives us information on different income of respondent Job-seekers of 4 Gram Panchayats of Kesinga Block of Kalahandi District.

Table 4  
Different Income of Respondent Job Seekers of 4 G.Ps of Kesinga Block of Kalahandi District

G.P	Respondents			Income from MGNREGS			Income from Other Sources			Total Income			Total
	SC	ST	OC	SC	ST	OC	SC	ST	OC	SC	ST	OC	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Pastikudi	-	09	11	-	147600	180400	-	565400	27825	-	204140	208225	412365
Gaigaon	01	18	01	17400	302200	17400	3000	106300	7000	21400	408500	24400	454300
Adhamunda	16	01	-	233637	15958	-	157250	3800	-	390887	19758	-	410645
Kasurpada	-	02	18	-	32800	295200	-	12000	122650	-	44800	417850	462650
Total	17	30	30	251037	498558	493000	160250	178640	157475	412287	677198	650475	1739960

#### 2) Income of Job Seekers

Table 4 gives us three important aspects of the development strategy pursued in rural area to create opportunities for the poor to particular in the growth process. These aspects are (i) different poverty reduction programs as adopted by the respondents, (ii) livelihood support provided to them by the Government & (iii) creation of assets in the rural area. All these efforts and provide funds by the Govt. aim at generating higher income needed to reduce the number of households living below the poverty line. It may be seen from the table that the ST respondents availed 40.12%, OC respondents availed 39.68% and SC respondents availed 20.20% of the total fund.

In terms of composition of the respondent Job-seekers OCs constitute 38.96%, STs constitute 38.96% and SCs constitute 22.08% of the respondent Job-seekers. As against the total funds made available to the all respondent Job seekers, the average amount of financial support to per Job seekers comes to Rs. 16137.60. In terms of different categories of respondents, the amount of financial help to them is as follows.

Average amount of financial allotment for different category respondents, i.e.

Per SC Respondents: Rs.14, 766.88

Per ST Respondents: Rs. 16, 618.60

Per OC Respondents: Rs. 16,433.3

Respondents belonging to the ST category get larger financial assistance of Rs. 16618.60 per Respondents compared to the OC Respondents who get Rs. 16,433.33

Also, average amount of other sources of income for different category respondents, i.e.

Per SC Respondents: Rs. 9426.48

Per ST Respondents: Rs. 5954.67

Per OC Respondents: Rs. 5249.17

Respondents belonging to the SC category get higher income from other sources like agriculture, business, forest good etc. of Rs. 9426.48 as compared to the ST and OC. Respondents of Rs. 5954.67 and Rs. 5249.17 respectively. It may thus be noted that per Respondent financial assistance including other sources of income is the highest in case of SC Respondent than the ST and OC Respondent.

### 3) Annual Income of Job Seekers

Out of 77 Job seekers under MGNREGS, 31 (40.26%) respondents are found on the above the poverty line, the level of income of Rs.24, 000/- & above per year for family. In case of 38 (49.35%) respondents are the level of income of Rs 18,000/- to 23,999/- per year for family and 08 (10.39%) respondents are the level of income of Rs.12, 000/- to 17,999/- per year of the per family. These families form 59.74% of total investigated respondents are in verse of crossing the poverty line in the near future if to increase 100 days' work to 200 days work will be given to them shown in Table 5.

Table 5

Distribution of Economic Position of Respondents were Getting 100 Days Work in MGNREGS

G.P	Below 12,000	12,000-17,999	18,000-23,999	24,000 & above	Total
Pastikudi	-	03	13	04	20
Gaigoan	-	02	10	08	20
Adhamunda	-	01	07	09	17
Kasurpada	-	02	08	10	20
Total	-	08 (10.39)	38 (49.35)	31 (40.26)	77 (100)

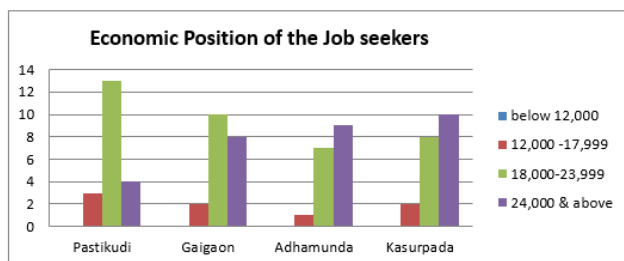


Fig. 2. The Graphical representation of Economic Position of the respondents

In order to assess income generation through the MGNREGS work provided to the respondents the position of the sample respondents in different income level, i.e. the respondents were getting/not getting 100 days' work in MGNREGS is analyzed in Table 6. Thus shown that there is a significant change in economic standard of Job seekers. 4 G.Ps (i.e. Pastikudi, Gaigoan, and Adhamunda & Kasurpada) have shown upward trend in income generation.

Table 6

Comparison of Economic Position of Respondents were getting/not getting 100 days' Work in MGNREGS

Income Group	Below 12,000	12,000-17,999	18,000-23,999	24,000 & above	Total
Economic Position of respondents were not getting 100 days work in MGNREGS	34 (44.16)	34 (44.16)	09 (11.68)	-	77 (100.00)
Economic Position of respondents were getting 100 days work in MGNREGS	-	08 (10.39)	38 (49.35)	31 (40.26)	77 (100.00)

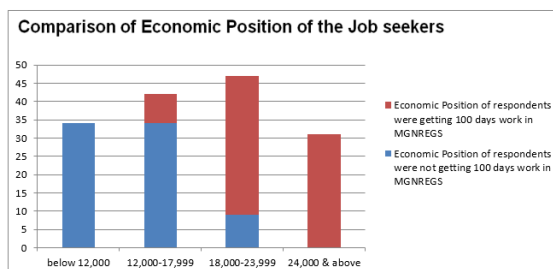


Fig. 3. The Graphical representation of Comparison of Economic Position of the respondents were getting/not getting 100 days' work in MGNREGS

## 5. Shift in Income Level

There has been a clear shift from lower to the higher income groups. This was evident from the fact that percentage increase in number of Job seekers at different income group i.e. Below 12,000/, 12000/- to 17999/-, 18000/- to 23999/- and 24000/- & above was 0%, 10.39%, 49.35% and 40.26% respectively. The shift of Job seekers from lower to higher income group is higher in Kasurpada Gram Panchayat in Kesinga Block of Kalahandi District.

## 6. Creation of Employment

The strategy for poverty alleviation is to optimize the use of surplus resources available with the rural poor i.e. the domestically supplied a surplus cultivable Govt. land. The assisted activity should therefore utilize the domestic work to such an extent that the marginal productivity of work is positive. Fulfillment of this would indicate the absence of unemployment and disguised unemployment. The strategy for achieving full employment and envisaged the tackling of unemployment mainly in three segments.

1. The large unskilled manpower capable of manual work only.
2. Semi educated and educated persons living below the poverty line.
3. Educated unemployment belonging to the family above poverty line.

The unemployment of the first category unskilled rural poor

was taken care of in MGNRES. That provides subsistence wages to the beneficiaries in fulfillment of the secondary objective of creation of assets. The employment of second category of persons has been the exclusive concern of NRLM that developed programs for gainful employment in primary, secondary and tertiary sector of the rural economy in collaboration with commercial banks and other financial institutions. The non-standing of activity, incompleteness and the failure of the schemes in some cases have resulted in decrease in creation of additional self-employment opportunities. Computation of creation of additional self-employment opportunities. Computation of creation of man-days has therefore been restricted to these beneficiaries who are reported to have crossed the poverty line.

### 7. Living Status

The goal of enriching, stimulating and accelerating the rural development process has been to improve the level of living of the people. The internationally accepted component levels of living are food consumption and nutrition, housing and clothing, education, health and entertainment. From the analysis of the data showing that the improvement in status of living of the respondents, it can be seen that no spectacular results in the aforesaid field has been visible. The respondents are reporting some improvement in their living standard in respect of their food and nutrition, housing and clothing, education, health and entertainment. Such visible improvements in living standard of present in relation to the period prior to availing the scheme have certainly been possible due to the impact of MGNREGS. Moreover an attempt is made to assess the level of living of the respondents on the basis of possession of various conveniences of life.

### 8. Improvement in Awareness

Being a right based approach; MGNREGS is expected to improve the awareness of Job seekers about all the development programs and about the decisions of the Gram Panchayat. The responses of the Job seekers about improvement in awareness about development programs indicate that they are not very clear about the issue. All the Job seekers reported that there is improvement in awareness. The responses on the improvement in awareness about development programs appear to be exaggerated and our focused group discussions lend support to this. Most of the Job seekers more so in the backward region, were happy with the employment accrued to them through REGS and they wanted more employment under MGNREGS. The Job seekers opened that after their participation in MGNREGS, their awareness about the decisions of Gram Panchayat has improved. Only some of the Job seekers responded that their awareness improved significantly. Majority of Job seekers moderate improvement in awareness. Sensitization Program is necessary to all the Job seekers by the Govt. Institution like State Institute for Rural Development & Panchayat Raj (SIRD & PR), Extension Training Centre (ETC) & Rural Self Employment Training Institute (RSETI) for better understanding about MGNREGS.

### 9. Impact on Village Migration

One of the goals of MGNREGS is to reduce migration of unskilled workers to outside area in search of employment. The views of the workers about the impact of the scheme on the out-migration of workers are elicited. A high proportion of the workers are elicited. A high proportion of the workers were of the view that there was considerable reduction in migration and some of the workers were of the view, that there is a moderate reduction in migration. From these results it can be conducted that this Scheme has clear impact on reducing migration from the rural area.

### 10. Major Findings

The major findings of the study are as follows,

1. In all the selected Job seekers, the income of the respondents has increased by getting 100 days employment under MGNREGS. But the increase in the income was not up to the desired level.
2. The grass root level Government officials & PRI members are involving themselves to desired extent in the implementation of the MGNREGS. Their main objective is to make the Job cards for the unskilled workers to provide work to them under MGNREGS. But most of the Job seekers have done work for 40-50 days & got less income under the scheme.
3. Training is provided to all the elected representatives & officials at the time of inception of the scheme. While it is adequate in certain aspects, there is need to provide more intensive training in some aspects like preparation of village plans in a participatory mode & conduct of Social Audit. It is necessary to train the elected representatives as well as the officials in the conduct of Social Audit and achieving integration of MGNREGS plan. Regular training programmes have to be conducted on these aspects.
4. The scheme is implemented as a demand based one. Whenever work is sanctioned workers are asked to apply. They are encouraged to apply whenever they need employment. Officials are able to assess local requirements of employment properly.
5. There is a need to achieve convergence of MGNREGS with other programs. This will be benefitted in several aspects. Presently low priority is accorded to schemes that improve the natural resource base as they are under the purview of other programmes. Convergence with other schemes helps in taking up these schemes under MGNREGS.
6. Provision of worksite facilities for Job seekers like drinking water, shade, creche & first aid are available in the time of work under MGNREGS.
7. It is difficult to access the quality of assets especially when most of the expenditure is on rural connectivity. Other assets like culverts, tanks, check dams & land developments are found to be of good quality in 4 GPs.
8. Social Audit conducted two times in each year.

During the survey it has been observed that many Job seekers

have been benefited & increased their income level. Out of 77 respondents, 31(40.26%) respondents were crossed the poverty line, 46(59.74%) respondents were increased their income level to some extent. So the study specifies that the scheme has a positive impact on the respondents. The scheme is not successful for providing 100% employment to Job seekers, those are interested to do unskilled work under MGNREGS. It is observed that standard of consumption of food & nutrition, housing & clothing, education, health & other items have improved. It shows that MGNREGS has made an impact in developing the social awareness & living condition of the respondents. The incidence of poverty among the respondents have declined and social empowerment of women improved significantly.

### 11. Conclusion

The following conclusions are made on the basis of the findings of the study to improve the performance of the MGNREGS.

1. There is need for organizing awareness campaigns through the involvement of leading NGOs in the District and State.
2. Training has to be provided periodically to the PRI Members as well as officials in aspects like Social Audit and convergence of MGNREGS Plan with various other plans. Regular training programs have to be conducted on these aspects to all the new incumbents.
3. Delay in wage payment has to be reduced by introducing modern methods of Information Technology in measurement of works. Additional staff has to be provided wherever needed. Provision of obligatory facilities at the worksite should be made compulsory.
4. There is a need to plan for convergence with other development programs which will also help in maintaining labour & material ratio.
5. People should be enlightened on the need for strengthening the natural resources like land & water. Construction of farm pond has to be scaled up.
6. Employment for women should be given top priority to increase their income which helps in improvement of the family.
7. Labour budgets have to be prepared in the Gram Sabha

by consulting the laborers.

8. Social Audit & VMC are two important measures of transparency built into the scheme to improve its efficiency. Therefore, Social Audit should be conducted regularly in the rural areas.
9. Monitoring & Evaluation on regular basis to be conducted by the grass root level Government Officials/Facilitators of the sponsoring organizations. This would help in removing any gap in implementation of the scheme.

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